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FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34744]

R.J. Corman Railroad Company/Pennsylvania Lines Inc.—Lease and Operation Within a Corporate Family Transaction Exemption—R.J. Corman Railroad Property, LLC

R.J. Corman Railroad Company/Pennsylvania Lines Inc. (RJCP), a Class III rail carrier, has filed a notice of exemption under 49 CFR 1180.2(d)(3). The exemption involves what RJCP describes as a corporate family transaction whereby R.J. Corman Railroad Property, LLC (Railroad Property) will lease to RJCP and RJCP will operate a line of railroad, known as the Loup Creek Branch, extending from milepost 0.0 at Thurmond, WV, to milepost 12.0 at Mt. Hope, WV, a distance of approximately 12 miles.<sup>1</sup>

The transaction was scheduled to be consummated on or shortly after September 1, 2005, the effective date of the exemption.

This transaction is within a corporate family of the type specifically exempted from prior approval under 49 CFR 1180.2(d)(3). RJCP states that the transaction will not result in adverse changes in service levels, significant operational changes, or a change in the competitive balance with carriers outside of the corporate family.

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<sup>1</sup> Prior to this transaction, the Loup Creek Branch was leased and operated by R.J. Corman Railroad Company/Bardstown Lines (RJCR). RJCP, Railroad Property and RJCR are commonly controlled by Richard J. Corman (Corman).

According to RJCP, the purpose of the transaction is to substitute one Corman affiliate for another as the leasee and operator of the line, which will address certain tax and financing considerations within the Corman family of companies, and will not result in any changes in rail service or operations.

Under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its obligation to protect the interests of its employees. Section 11326(c), however, does not provide for labor protection for transactions under sections 11324 and 11325 that involve only Class III rail carriers. Accordingly, the Board may not impose labor protective conditions here because all of the carriers involved are Class III carriers.

If the notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34744, must be filed with the Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Ronald A. Lane, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 920, Chicago, IL 60606-2832.

Board decisions and notices are available on our website at  
[WWW.STB.DOT.GOV](http://WWW.STB.DOT.GOV).

Decided: September 19, 2005.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary